

DEPARTMENT OF INSURANCE

FINANCIAL SUMMARY

	FY 2001 EXPENDITURE	FY 2002 APPROPRIATION	FY 2003 REQUEST	GOVERNOR RECOMMENDS FY 2003
Administration	\$ 5,988,490	\$ 6,767,195	\$ 7,354,926	\$ 7,189,163
Market Conduct and Financial Examinations	6,042,221	6,628,651	6,679,516	6,679,516
Refunds	39,734	25,001	25,001	25,001
Health Insurance Counseling	357,316	400,000	450,000	450,000
DEPARTMENTAL TOTAL	\$ 12,427,761	\$ 13,820,847	\$ 14,509,443	\$ 14,343,680
Federal Funds	357,316	400,000	450,000	450,000
Insurance Examiners Fund	6,042,221	6,628,652	6,679,517	6,679,517
Department of Insurance Dedicated Fund	6,028,224	6,792,195	7,379,926	7,214,163
Full-time equivalent employees	200.70	226.50	230.00	230.00

POLICY SUMMARY

Governor Holden's budget for Fiscal Year 2003 includes a total of \$14.3 million for the Department of Insurance to protect Missouri consumers and provide oversight of the insurance industry. By promoting a competitive marketplace, the department helps to ensure affordable insurance is available to Missourians. The department's outreach and education program is designed to assist consumers in making informed purchasing decisions. In-depth analysis of market trends, complaint information, and financial statements help target the department's examination of insurance companies to ensure the maximum effectiveness of state resources.

PROTECTING MISSOURIANS

SB 894 (2000) significantly revised Missouri's Title Insurance Act. These revisions will help ensure that title insurance policies are written using sound accounting and actuarial practices. The act requires insurers to provide information to consumers about what is, and is not, covered by the policy. In addition, the act establishes mandatory continuing education requirements for all licensed agents, helping to ensure they are knowledgeable about title insurance. The Department of Insurance must approve premiums, helping to ensure rates are fair. The Governor recommends \$299,244 to implement SB 894.

SB 193 (2001) simplified insurance laws by requiring only one insurance producer license for both insurance agents and brokers, providing full reciprocal licensure of insurance producers from other states, and providing uniformity in licensure requirements with other states. The Governor recommends \$165,000 to modify the department's information systems to implement SB 193.

The Community Leaders Assisting the Insured of Missouri (CLAIM) program offers insurance counseling services through trained volunteers to Missouri seniors. The volunteers help the seniors resolve insurance claims disputes and receive a refund of premiums for duplicate Medicare supplement insurance coverage. The Governor recommends \$50,000 to expand the CLAIM program to 500 more seniors.

Some performance measures the Department of Insurance uses to evaluate the availability and affordability of insurance for Missouri consumers follow:

	1998	1999	2000
Percentage of Missourians (non-elderly) with health insurance	87.9%	90.4%	87.8%
Amount recovered for consumers over disputed claims (millions)	\$6.6	\$8.8	\$7.4
CLAIM program recoveries for Missouri seniors	\$363,433	\$330,202	\$1,000,000
Missouri versus nationwide premiums paid to claims paid for:			
workers compensation insurance *	-8.2%	-1.5%	+5.2%
all property and casualty lines *	-2.7%	-2.2%	-2.0%
all accident and health lines *	+1.5%	+0.8%	+0.03%

*Negative number indicates Missouri has a better rate than the national average.

DEPARTMENT OF INSURANCE

Fiscal Year 2003 Governor's Recommendations

- \$299,244 other funds and 3.5 staff to implement the Title Insurance Act, SB 894 (2000).
- \$165,000 other funds to implement SB 193 (2001), which revised licensure requirements for insurance producers.
- \$50,000 federal funds to expand the CLAIM program to about 500 more seniors.
- \$37,896 other funds to reclassify positions for consistency with other state agencies.
- (\$29,307) other funds for one-time expenditures.

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